

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

REVIEW REPORT  
OF  
INDIANA CRIMINAL JUSTICE INSTITUTE

STATE OF INDIANA

June 1, 2004 to May 31, 2006



**FILED**  
12/19/2006



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#### AGENCY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Robin Tew	01-05-04 to 01-07-05
	Donna Roberts (Interim)	01-08-05 to 04-19-05
	Heather Bolejack	04-20-05 to 05-12-06
	John Von Arx (Interim)	05-13-06 to 06-27-06
	Michael Cunegin	06-28-06 to 01-09-08
Chairman, Board of Trustees	Catherine O'Connor	01-05-04 to 12-10-04
	Jason Barclay	03-18-05 to 09-28-06
	John Von Arx	09-29-06 to 01-09-08



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF INDIANA CRIMINAL JUSTICE INSTITUTE

We have reviewed the receipts, disbursements, and assets of the Indiana Criminal Justice Institute for the period of June 1, 2004 to May 31, 2006. Indiana Criminal Justice Institute's management is responsible for the receipts, disbursements, and assets.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the receipts, disbursements, and assets. Accordingly, we do not express such an opinion.

Financial transactions of this office are included in the scope of our audits of the State of Indiana as reflected in the Indiana Comprehensive Annual Financial Reports.

Based on our review, nothing came to our attention that caused us to believe that the receipts, disbursements, and assets of the Indiana Criminal Justice Institute are not in all material respects in conformity with the criteria set forth in the Accounting and Uniform Compliance Guidelines Manual for State Agencies, and applicable laws and regulations except as stated in the review comments.

STATE BOARD OF ACCOUNTS

October 26, 2006

INDIANA CRIMINAL JUSTICE INSTITUTE  
REVIEW COMMENTS  
May 31, 2006

UNAUTHORIZED AWARD OF SKIP GRANT

The Indiana Criminal Justice Institute (ICJI) receives a portion of its total federal funds from the United States Department of Justice's Office of Juvenile Justice and Delinquency Prevention (OJJDP). One of the grants awarded to ICJI is the Juvenile Accountability Block Grant (JABG). In turn, ICJI awards these funds as grants to approved subgrantees. ICJI's grant process for awarding JABG funds to units of local government includes a multi-level review process. Submitted applications are screened by agency Youth Division staff, evaluated by the Juvenile Justice State Advisory Group (JJSAG), reviewed by the ICJI Board of Trustees Sub-Committee, and those applications passing all stages of the review process are presented for approval by the ICJI Board of Trustees.

The Saving Kids of Incarcerated Parents (SKIP) Grant was one of the JABG applications evaluated for pass-through awards. Initially, the Department of Correction (DOC) submitted an application for the SKIP Grant as the legal applicant and implementing agency but withdrew due to insufficient matching funds. Then the Marion County Prosecutor's Office became the legal applicant with McKenna Consulting listed as the implementing agency on the application. Their application was signed by a representative from the Prosecutor's Office on September 7, 2005. The SKIP application was one of the JABG applications evaluated and brought to the Board of Trustee meeting on September 8, 2005.

As part of the grant review process, the JJSAG met on September 1, 2005, to evaluate the twelve applicants for \$1,014,400 in JABG funding. Minutes from the JJSAG meeting stated that twelve grants were reviewed with a new statewide project in JABG funds deferred. This is supported by documentation obtained from a member who sits on the JJSAG, the Trustee Sub-Committee, and the Board of Trustees. Notes on her JJSAG meeting agenda indicated that eleven grant programs were approved and one DOC was deferred. In addition, notes on her JABG grant request spreadsheet prepared by ICJI listed the SKIP Grant as deferred. She also indicated that the SKIP Grant was part of a \$486,000 state-wide initiative.

However, minutes from the September 8, 2005, Board of Trustees meeting indicated that twelve JABG grants had been approved. Routinely, minutes are taped at the meetings and transcribed at a later date. The transcriber of the minutes relies extensively on the program staff to supply the detail for the approved grants. Once grants are approved by the Board, ICJI prepares grant award letters and agreements. Each grant agreement is signed by the executive director and subgrantee. The next quarterly board meeting was held on December 5, 2005.

Email documentation dated September 28, 2005, from the former Deputy Director of Programs to the JJSAG members, urgently requested the members to review an attached JABG application. However, asking JJSAG members to review a grant subsequent to the September 8, 2005, Board of Trustees meeting is not in compliance with the agency's grant review process. Correspondence from one of the members to the Deputy Director indicated it was the SKIP Grant application being reviewed. There is no indication of the outcome of that request. This indicates that the SKIP Grant had not been approved by the Board.

Additional documentation indicated that since there was a delay in expediting the Marion County Prosecutor's grant application through the county-level approval process, on October 28, 2005, the former Deputy Director of Programs in an email to the former Executive Director stated that the award to Marion County would be canceled, ICJI could become the legal applicant, and McKenna Consulting remained the implementing agency. The \$417,000 SKIP Grant was awarded to McKenna for \$312,750 in federal funds with an ICJI state match of \$104,250. The former Executive Director signed the SKIP Grant agreement on October 28, 2005, and Michael McKenna of McKenna Consulting signed on November 8, 2005. McKenna received his first quarterly payment of \$80,000 on December 7, 2005.

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If the SKIP application with either the DOC or Marion County Prosecutor's Office as the legal applicant had been approved by the Board of Trustees on September 8, 2005, there would be no reason to have canceled the Grant with the governmental unit and make ICJI the legal applicant six weeks later.

Of the twelve JABG applicants prepared for the September 8, 2005, board meeting, except for the SKIP Grant, all the legal applicants were units of local governments and the implementing agencies were either units of local government or community not-for-profit organizations experienced with the program objectives. Federal regulations state that, for JABG awards, only units of local governments are eligible subgrant recipients. Therefore, ICJI had no authority to award JABG funds to itself or become the legal applicant.

The sixteen JABG program purpose areas are related to juvenile offenders and facilities, court services and records, juvenile drug courts, hiring detention/correction personnel, training for prosecutors, law enforcement and court personnel, and other functions within the juvenile justice system. These purpose areas do not mirror the preventive measures outlined in the SKIP project. In fact, the OJJDP formula grant program area #4, 'Children of Incarcerated Parents,' would have been the appropriate funding source for a SKIP type grant rather than from a block grant award. The OJJDP did not respond to our inquiries on this or other topics.

According to the JABG guidelines, a state can use up to 15% of its allocation for state-wide initiatives. Therefore, of the \$1,041,400 JABG award to ICJI, only \$152,160 could be used for such initiatives. The SKIP Grant of \$312,750 was double the allowable initiative funding.

On the signed SKIP award, the state was to provide the matching funds. Since ICJI did not have the \$104,250 of required matching state funds, it is not possible to determine where those funds would have come from.

After the initiation of the Office of Inspector General's investigation, the Grant was canceled by the Board of Trustees and the second payment of \$110,000 disbursed to Michael McKenna was recovered and deposited back into the state system.

Evidence indicated that the Board of Trustees did not approve the SKIP Grant that was signed by Heather Bolejack, the former Executive Director.

Indiana Code 5-2-6-8 states in part that ". . . the trustees must approve any official action of the institute unless the trustees authorize a division to act with respect to specific decisions."

The OJJDP State Relations and Assistance Division's Formula/Block Grants Comparison Chart lists the only eligible subgrant recipients for JABG funds as "Eligible units of local government."

Recipients of federal financial assistance are required to maintain internal controls over the federal programs to ensure each federal program is in compliance with laws, regulations, and the provisions of contracts or grant agreements. For each federal grant or contract, expenditures must be allowable for the grant, benefit the grant, be reasonable in nature and cost, and have complete back-up documentation. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 12)

#### LACK OF TIMELY COMPENSATION TO CLAIMANTS OF VIOLENT CRIMES

The Indiana Criminal Justice Institute (ICJI) administers the Victims Compensation Fund with funds from a federal grant and various state sources. Compensation for expenses related to injuries sustained by victims of violent crimes including sex related crimes may be paid to eligible claimants and to providers of medical services and other related services. Victims must submit the required application and ICJI approves submitted eligible claims for payment after a comprehensive review process.

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During our review of the Fund, we found that claims dating back to 2001 had not yet been approved for payments to claimants of violent crimes and no new claims have been entered into their database since June 2006. Since ICJI is the payor of last resort to claimants of violent crimes, the dollar amount of violent crime claims which would ultimately be approved for payment cannot be established. However, as of September 30, 2006, submitted violent crime claims totaled \$4,610,398.90.

Eligible claims dating back to June 2005 had not yet been approved for payments to claimants of sex crimes. As of September 30, 2006, ICJI had received claims for expenses related to sex crimes totaling \$1,957,480.75. As the payor of first resort to claimants of sex related crimes, virtually all of the sex crime claims are considered current ICJI payables.

As of September 30, 2006, ICJI had \$3,530,277 in available funds to pay approved claims for both violent and sex related crimes.

We also found that in early 2006, ICJI began a settlement process based on proposed legislation to pay medical providers a portion of their claims on the condition it is considered as payment in full. Since the applicable legislation did not pass, this process may not be in compliance with state or federal guidelines.

ICJI has not made timely payment of awards to victims who suffered injuries resulting from violent crimes including sex related crimes or to related providers of eligible services. ICJI also has not monitored available revenue coming into the Fund to verify they receive all monies to which they are entitled. A lack of internal controls contributed to the ineffective administration of the Fund resulting in poor service to claimants seeking compensation.

Indiana Code 5-2-6.1-44 states: " (a) If the fund would be reduced below two hundred fifty thousand dollars (\$250,000) by payment in full of all awards that become final in a month, the division shall suspend payment of the claims that become final during the month and the following two (2) months and (b) At the end of the suspension period the division shall pay the suspended claims. If the fund would be exhausted by payment in full of the suspended claims, the amount paid to each claimant shall be prorated."

Each agency, department, institution, or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

#### LACK OF WRITTEN POLICIES AND PROCEDURES

Throughout our review of ICJI, we consistently did not see written policies and procedures. A lack of policies and procedures combined with inadequate internal controls could allow fraud to occur and go undetected.

Establishing and implementing written policies and procedures for all agency functions would provide continuity between administrations, consistent treatment across funding streams, more efficient operations, and proper accountability of public funds. The ICJI Board of Trustees should support this effort.

Indiana Code 5-2-6-5 (b)(9) states in part that the Board of Trustees shall "... adopt rules, under IC 4-22-2, necessary to carry out the purposes of this chapter."



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Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. An agency's control environment consists of the overall attitude, awareness and actions of management and the governing board or commission. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

INAPPROPRIATE USE OF PUBLIC FUNDS FOR SPONSORSHIPS

During our review of ICJI disbursements, we found that public funds were used to sponsor non-state events.

In several cases Traffic Safety program funds awarded by the National Highway Traffic Safety Administration (NHTSA) were intended to be used to sponsor such events. NHTSA did not take exception to ICJI funding sponsorships in the past. However, in a NHTSA correspondence dated August 15, 2005, the former Executive Director was notified that Traffic Safety funds could no longer be used to fund sponsorships. In fact, in that letter, NHTSA disallowed \$80,000 in prior sponsorships so ICJI was required to use state funds to pay for those sponsorships rather than federal funds.

Subsequent to the August 15 notification, ICJI sponsored the 2005 Circle City Classic Parade and Pep Rally for \$30,000 which was initially charged to the NHTSA fund/center but was ultimately paid with state funds. The following items were included as part of the sponsorship package and available to be used by the Executive Director and/or other agency staff: corporate executive to ride in the parade, eighteen suite and hospitality passes to the football game, twenty bleacher seats at the parade, thirty premium lower concourse tickets and thirty bleacher seats to the football game, one table for ten at the Classic Coaches' Luncheon, one table for ten at the Classic Gala, and one table for ten at the Cabaret. These items are considered personal in nature and may be in violation of the State Ethics Commission rules.

ICJI also sponsored the 2005 Big Ten Men's Basketball Tournament for \$10,000 which was initially charged to the NHTSA fund/center. The following items were included as part of the sponsorship package and available to be used by the Executive Director and/or other agency staff: four all session tickets and four tickets to the Big Ten Tournament Celebration party. Two session tickets were given away as door prizes to staff during an all-day agency seminar. These items are considered personal in nature and may be in violation of the State Ethics Commission Rules.

Since these events were not approved by NHTSA, state funds were required to pay for the total cost of these events. Items of a personal nature procured with public funds should be repaid to the state. However, we were unable to determine the value of those items of a personal nature.

We also found a \$5,000 golf outing sponsorship paid for with state Safe Haven Grant funds.

ICJI administers the state Safe Haven Grant. These funds are awarded to schools and school corporations to provide safer schools through various safety initiatives. There is no authority for ICJI to spend Safe Haven Grant funds for a sponsorship even if that event raised funds for a not-for-profit organization who manages youth programs.

The June 2005 sponsorship secured a Birdie-level foursome in the golf tournament and a table at the dinner following the tournament. Documentation indicated that ICJI staff and others not employed by ICJI participated in the event. According to the receipt of acknowledgement, the cost of golf and dinner for four was \$1,400 plus \$3,600 as a charitable contribution. The golf outing and dinner are considered inappropriate and a personal use of public funds. There is no authority for state funds to be used for charitable contributions.

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The state must practice due diligence when spending public funds. As the head of the agency, the former Executive Director was accountable for agency funds and, therefore, should be responsible for the inappropriate and personal uses of public funds.

We requested that Heather Bolejack, former Executive Director, repay the State of Indiana for inappropriate and personal use of public funds relating to the Safe Haven sponsorship which totaled \$5,000. In addition, if the personal portion of the Circle City Classic Parade and Pep Rally and the Big Ten Basketball Tournament events can be quantified, Heather Bolejack should make restitution to the State of Indiana. (See Summary, page 45)

Indiana Code 5-13-4-20 states: "'Public funds' means all fees and funds of whatever kind or character coming into the possession of any public officer by virtue of that office."

According to 42 IAC 1-5-12 Use of state property: "A state officer, employee, or special state appointee shall not make use of state materials, funds, property, personnel, facilities, or equipment for any purpose other than for official state business unless the use is expressly permitted by a general written agency, departmental, or institutional policy or regulation."

Public funds may not be used to pay for personal items or expenses which do not relate to the functions and purposes of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

#### INAPPROPRIATE USE OF PUBLIC FUNDS FOR FOOD PURCHASES

During our review of ICJI invoices, we found payments to caterers for food delivered to the agency and reimbursements to the former Executive Director for food purchased at local restaurants or delivered to the office.

ICJI purchased ten breakfasts, lunches, and/or snacks totaling \$1,129.27 which were delivered to the office for agency staff meetings or other agency meetings involving only state employees. The Executive Director was aware of these purchases since she scheduled and ran the staff meetings and initiated meal purchases for the other agency meetings. These purchases are not in compliance with state policies.

On eight occasions, the Executive Director initially purchased and then received reimbursement for a total of \$368.53 in local restaurant receipts. These purchases involved only state employees and, therefore, are not in compliance with state policies.

We requested that Heather Bolejack, former Executive Director, repay the State of Indiana for inappropriate use of public funds which totaled \$1,497.80. A payment in the amount of \$124 was received on November 6, 2006. (See Summary, page 45)

Financial Management Circular #98-1 states that "Spending taxpayer dollars for meetings or events involving only state employees when no travel is involved is not appropriate."

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Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. An agency's control environment consists of the overall attitude, awareness and actions of management and the governing board or commission. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

REIMBURSEMENTS FOR PROFESSIONAL ATTORNEY EXPENSES

We found that ICJI paid professional attorney expenses for the former Executive Director and current Chief Deputy Director. Although the agency may have benefited from their professional experience, the agency positions for which they were hired do not require attorney qualifications.

The former Executive Director benefited from \$615 in state funds used to pay for annual attorney dues, continuing legal education courses, and membership dues to legal affiliations. One of those payments was to the Indianapolis Bar Association which included a \$35 contribution to the Indianapolis Bar Foundation.

The Chief Deputy Director benefited from \$302.50 in state funds used to pay for annual attorney dues and membership dues to legal affiliations.

We requested that Heather Bolejack, former Executive Director, repay the State of Indiana for reimbursement of professional attorney expenses which totaled \$615. A payment in the amount of \$315 was received on November 6, 2006. (See Summary, page 45) We also requested that Jason Hutchens, Chief Deputy Director, repay the State of Indiana for reimbursement of professional attorney expenses which totaled \$302.50. A payment in the amount of \$302.50 was received on October 5, 2006. (See Summary, page 45)

State Ethics Commission Official Advisory Opinion No. 05-14 addresses reimbursement of licensing fees only for attorneys who are working in their capacity as an attorney for that agency.

According to the May 2005 'Ethics News,' Issue No. 42, "... the State Board of Accounts would take exception to an agency paying for CLE seminars and/or annual license fees if the attorney was employed in a non-attorney position. . . ."

Public funds may not be used to pay for personal items. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

PERSONAL USE OF PUBLIC FUNDS FOR OUT-OF-STATE CONFERENCE

The former ICJI Executive Director attended a February 2006 NHTSA conference in New York City. The Director had approval from the State Travel Office for two days of business travel costs to cover hotel, transportation, and meal subsistence and to stay two additional days as personal.

Prior to leaving, the agency advanced the former director \$216. A travel advance must be returned in its entirety. Any travel related expenses should be submitted on a travel voucher for reimbursement. As of October 2, 2006, this advance has not been repaid.

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Following the conclusion of the conference, the former Deputy Director of Programs used her personal debit card to pay for the former Director's hotel costs including two non-business night stays. She also deposited cash into the Director's bank account. Subsequently, the former Deputy Director of Programs received three travel advances totaling \$1,210.38 from state funds for these payments she made on behalf of the former Director. As of October 2, 2006, these advances have not been repaid.

After returning and filing for reimbursement of expenses, the former Director received \$181.20 which included \$30 of ineligible reimbursement costs. The ineligible reimbursement costs are as follows: lunch that was provided as part of the conference registration fee, breakfast the day after the conference ended, two days of parking at the Indianapolis Airport following the conference.

We requested that Heather Bolejack, former Executive Director, repay the State of Indiana \$216 for the outstanding travel advance and \$30 for ineligible meals and parking which totaled \$246. A payment in the amount of \$246 was received on November 6, 2006. (See Summary, page 45) We also requested that Susanne Katalina Gullans, former Deputy Director of Programs, repay the State of Indiana for outstanding travel advances which totaled \$1,210.38. A payment in the amount of \$1,210.38 was received on November 2, 2006. (See Summary, page 45)

Financial Management Circular 2003-1, State Travel Policies and Procedures, states, in:

Section 3-5(B), "In keeping with the "Spirit of the Circular", travel status should not start prior to, or end after, the normally required periods of time necessary to complete the official State Business";

Section 3-5(C), "A state Traveler shall exercise special care not to seek reimbursement for expenses that could be construed to be personal. If vacation leave or time off is combined with any trip, the lodging and subsistence for the extra days of travel time are not eligible for reimbursement."

Section 4-3(B), "If a State Travel Expense has been approved in advance by the appropriate State Agency and the Travel Office, the actual State Travel Expense incurred by the State Traveler is payable only to the extent it is less than or equal to the approved State Travel Expense."

Section 7-5, "The State of Indiana must not pay for a person's meal more than once. This includes, but not limited to, meals included in registration fees. . . . If a person in travel status received a meal without charge, then the subsistence allowance must be reduced."

Employees that receive an advance must sign a form acknowledging the amount received and agree to reimburse the agency the cash advance upon receipt of their travel reimbursement through the Auditor's Office. Employees must submit their travel vouchers timely after completion of the trip. Agencies giving cash advances must have procedures to ensure advances are reimbursed timely. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

Cash advances can be issued for estimated eligible expenses including bus or train tickets, hotel base rate plus applicable taxes, and registrations. Cash advances are not to be issued for meals or other expenses. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 11)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

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Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

OUTSTANDING TRAVEL ADVANCE FOR LODGING

The former ICJI Deputy Director of Programs charged a room reservation deposit for the January 2006 conference on her debit card for the former Executive Director and received a travel advance of \$175.19 for that deposit on September 14, 2005. Since the former Executive Director was not charged for a room, on January 20, 2006, the hotel credited the room deposit to the former Deputy Director of Program's debit card. The advance is still outstanding.

We requested that Susanne Katalina Gullans, former Deputy Director of Programs, repay the State of Indiana for funds advance for lodging which totaled \$175.19. A payment in the amount of \$175.19 was received on November 2, 2006. (See Summary, page 45)

Employees that receive an advance must sign a form acknowledging the amount received and agree to reimburse the agency the cash advance upon receipt of their travel reimbursement through the Auditor's Office. Employees must submit their travel vouchers timely after completion of the trip. Agencies giving cash advances must have procedures to ensure advances are reimbursed timely. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

UNALLOWED MEALS CLAIMED ON TRAVEL VOUCHERS

During our review of ICJI travel, we found where the former Executive Director and former Deputy Director of Programs had submitted travel vouchers for reimbursement of travel expenses that included meals which the state had already paid through conference registration fees. For the January 2005 OJJDP conference in Washington D.C., the conference itinerary stated that lunch was provided on two days; however, both the former Executive Director and former Deputy Director of Programs claimed full-day subsistence for each day. The travel reimbursements should have reflected a reduction in subsistence of \$8 for each lunch.

Establishing and implementing written policies and procedures for processing travel reimbursement vouchers could eliminate reimbursing employees for unallowed expenses. Such policies and procedures may include following a standardized process flow and having all supporting documentation attached to the voucher before processing.

Financial Management Circular 2003-1, State Travel Policies and Procedures, Section 7-5 states: "The State of Indiana must not pay for a person's meal more than once. This includes, but not limited to, meals included in registration fees. . . . If a person in travel status received a meal without charge, then the subsistence allowance must be reduced."

Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

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REIMBURSEMENT FOR PERSONAL TRANSPORTATION

During our review of the January 2006 OJJDP conference, we found two ICJI employees had claimed and were reimbursed for cab fare transportation which was personal in nature.

Establishing and implementing written policies and procedures for processing travel reimbursement vouchers could eliminate reimbursing employees for unallowed expenses. Such policies and procedures would include an internal audit function of travel claims prior to reimbursement and employee training on the state travel rules.

Financial Management Circular 2003-1, State Travel Policies and Procedures, Section 5-8(B) states that "The cost of transportation between the terminal, the place of lodging and other place of business may be reimbursed."

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

LACK OF TIMELY REPAYMENT OF ADVANCES

During our review, we found that several cash advances from the SDO fund were not repaid timely. Funds were advanced to employees before traveling. Upon return, staff would submit and receive reimbursements and then not repay their advances to the state. Some advances were not repaid for several months. Details of outstanding advances are discussed in comments entitled Personal Use of Public Funds for Out-of-State Conferences and Outstanding Travel Advance for Lodging. As of October 26, 2006, there were outstanding travel advances totaling \$1,601.57.

Travel advances are prepayments to employees to cover eligible state travel expenses and should not be construed as a short- or not so short-term loan using state funds.

Employees that receive an advance must sign a form acknowledging the amount received and agree to reimburse the agency the cash advance upon receipt of their travel reimbursement through the Auditor's Office. Employees must submit their travel vouchers timely after completion of the trip. Agencies giving cash advances must have procedures to ensure advances are reimbursed timely. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

NONCOMPLIANCE WITH STATE PROCUREMENT RULES

During our review of ICJI contracts and other related disbursements, we found numerous areas of noncompliance, including, but not limited to, the following: 1. A lack of evidence to support solicitation of bids for goods and services; 2. A lack of contracts to support disbursements of \$5,000 and more; 3. Contracts executed subsequent to the start date of services; 4. Contracts not executed for subgrantee awards; 5. Splitting of invoices into purchases of less than \$5,000 to avoid executing a contract or obtaining written quotes.

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In addition, upon termination of the former Executive Director, the agency learned that the former Director had made commitments totaling \$430,000 through email correspondence and apparent verbal commitments based on vendor communications. There was no documentation to indicate that contracts for these services had been initiated. Since ICJI had not received any related goods or services or awarded any funding, the agency was able to cancel these commitments.

Indiana Code 4-13-2-14.1 and 14.2 require that a contract to which a state agency is a party must be properly approved and in writing.

Indiana Code 5-22, Special Procurements, requires "competition, documentation and approval of IDOA's commissioner."

The Indiana Department of Administration (IDOA) Procurement Streamlining Manual states that "Competitive solicitation is required for any purchase over \$500 if the purchase is not made from PEN Products, INARF, or a QPA."

Purchases or payments cannot be artificially divided to circumvent the SDO limit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

Each agency, department, institution or office is responsible for compliance with applicable statutes, regulations, contract provisions, state policies, and federal requirements. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

#### LACK OF SDO FUND RECONCILIATION

During our review of the ICJI Special Disbursing Officer (SDO) Fund for the period of March 2005 through May 2006, we found no evidence of any SDO advance reconciliations. Therefore, the agency was unable to identify the SDO advance balance or determine whether the advance was over or short. Bank account reconciliations were performed through November 2005.

Two reconciliations must be performed for the SDO fund each month. The bank statement for the checking account must be reconciled to the check register. Also, the check register must be balanced to the total SDO advance. These reconciliations must be formally documented. The SDO officer may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 7)

#### LACK OF ADEQUATE DISBURSEMENT DOCUMENTATION

ICJI could not locate many documents selected for our review. In addition, we found numerous types of disbursements which did not contain adequate supporting documentation including, but not limited to, the following: travel vouchers, claim and SDO disbursements, contracts, and sponsorships.

Due to the lack of documentation, the validity and accountability for some monies disbursed could not be established. All documentation supporting financial transactions are the property of the state and should remain in the custody of the agency.

INDIANA CRIMINAL JUSTICE INSTITUTE  
REVIEW COMMENTS  
May 31, 2006  
(Continued)

Supporting documentation such as receipts, cancelled checks, invoices, bills, contracts, etc., must be made available for audit to provide supporting information for the validity and accountability of monies received or disbursed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

Documents should be retained in accordance with a retention schedule approved by the Oversight Commission on Public Records. Also, documents must be filed in such a manner as to be readily retrievable or otherwise reasonably attainable, upon request, during an audit. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

NO APPROVED TELEWORK POLICY

Information presented during our review indicated that some ICJI staff routinely worked from home. However, state employees cannot work at a remote location without prior authorization. According to the State Personnel Department (SPD), ICJI did not have such a policy.

The SPD Telework Policy, Statement of Policy #2, states: "Agencies desiring to utilize telework programs must develop a written telework policy and secure approval of the program from the State Personnel Director."

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of managements' objectives, and compliance with laws and regulations. An agency's control environment consists of the overall attitude, awareness and actions of management and the governing board or commission. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

CELLULAR PHONE USAGE

ICJI purchased cell phone/blackberry services for executive staff. We found that several employees had overage charges well in excess of the monthly base charge. During our review period, we saw no evidence that staff were required to review the bills and reimburse the state for any personal calls.

Personal long distance calls are not allowed to be charged to the State. Agencies should review monthly billings from Telecommunications for indication of charges for personal calls. If an agency discovers that personal calls have been placed, reimbursement must be sought for the charges incurred. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)

Agencies should monitor the use of cellular phones to ensure that they are not paying for air time that is not needed. Agencies should review service provider's plans and determine if there may be a more cost efficient plan based on the actual use of the phone service. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 5)



INDIANA CRIMINAL JUSTICE INSTITUTE  
REVIEW COMMENTS  
May 31, 2006  
(Continued)

COST ALLOCATION AND INDIRECT COSTS

As stated in our prior Report B23173, ICJI's manual allocation process uses journal vouchers to allocate common costs among the various benefiting grants and requires significant staff time.

Consideration should be given to contacting the budget agency to assess the viability of an indirect cost rate plan to replace the existing allocation system. An acceptable rate applied to a consistent base would provide comparable results and significantly reduce the burden of the existing manual system.

Any cost that is a direct cost but not 100% for a particular grant must be allocated between each grant for which the cost is related and to state funds for portions not relating to federal grants. The allocation must be made on a logical basis and on a basis that represents the direct benefit to the grant. Some federal programs require approval of an allocation plan by the federal grantor agency. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 12)

INDIANA CRIMINAL JUSTICE INSTITUTE  
EXIT CONFERENCE

The contents of this report were discussed on November 8, 2006, with Michael Cunegin, Executive Director; and John Von Arx, former interim Executive Director and current Board of Trustees Chairman.

The contents of this report were mailed on November 15, 2006, to Heather E. Bolejack, former Executive Director; Robin Tew, former Executive Director; and Donna Roberts, former interim Executive Director.

Official responses have been made a part of this report and may be found on pages 17 through 44.



**SBOA REVIEW RESPONSE**  
**Review Period of July 1, 2004 through June 31, 2006**

On behalf of the Indiana Criminal Justice Institute, I appreciate the opportunity to respond to the comments supplied by SBOA during their review of our agency. Although I have only been Executive Director here since June 30, 2006 I feel that we have made significant progress toward resolving many of the issues put forward. We now have a strong management team and a dedicated staff.

Overall, we recognize that there were things that were being done that were not in compliance with State financial and ethical guidelines. To that end, our Board of Trustees, my executive staff and I have aggressively pursued a course of renewed training and specialized guidance. Our goal is to ensure that every team member at ICJI clearly understands the vision of the agency and is dedicated to helping us achieve that goal.

We have contacted IDOA about procurement training and have met with Davina Patterson and Susan Gard for contracts training. Sponsorship relationships have been reviewed and terminated, even though some of these relationships go back over five (5) years. Also, we have reviewed our travel authorization and approval process and now ICJI travel plans are done through State travel.

We are in the process of addressing the Victim Compensation Fund backlog, which has been an issue since at least 1999. Between July 1, 2006 and December 1, 2006 we paid out over \$1.8 million dollars in claims to victims of violent crimes and sexual assaults. This area has traditionally been understaffed and we are working to get additional personnel in the section to assist with the caseload. We have met with software vendors about a more efficient database that would allow us to store and retrieve data in a more effective and cost-efficient manner. The policies and procedures manual for this section is being revised and updated and will be ready for distribution in January of 2007.

The ICJI Policies and Procedures Manual has been revised and updated per State Personnel and statutory guidelines. We are also evaluating each division's policies and procedures and creating a policies and procedures manual for those divisions that are currently without one. This will give ICJI the type of internal controls that promote the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with state and federal laws and regulations.

Michael W. Cunegin, II  
Executive Director

November 27, 2006

STATE BOARD OF ACCOUNTS  
ATTN: Patti Serbus, CPA  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, IN 46204-2765

RE: Review of the Indiana Criminal Justice Institute ("ICJI")

**OFFICIAL RESPONSE OF HEATHER E. BOLEJACK**

Dear Ms. Serbus:

The following is my Official Response to the State Board of Accounts' ("SBA") "Review" of the Indiana Criminal Justice Institute for the period of June 1, 2004, to May 31, 2006. This response addresses only those issues set forth in the SBA's draft Review **dated May 31, 2006**, but sent with an enclosure letter dated November 15, 2006. Since the SBA has the right to further amend its report prior to publication, the final public report may ultimately contain information to which I have not had the opportunity to publicly respond.

The SBA Review contains certain findings that are specific to former Deputy Director of Programs, Kate Gullans. I do not speak for Ms. Gullans in my Official Response and cannot respond to those sections of the Review regarding Ms. Gullans about which I do not have personal knowledge. Where I otherwise have personal knowledge of certain transactions involving Ms. Gullans, I have included information.

The following Official Response includes as "Attachment A", a spreadsheet of expenditures the SBA sent to my attention for which it claims reimbursement from me personally. I have also included as "Attachment B" copies of all documentation produced to me by request from the SBA documenting the ICJI Youth Division's sponsorship of 2005 Youthlinks Indiana. Pursuant to my request, the SBA produced copies of all claim vouchers, checks, cost allocation sheets and other financial documents relating to those expenditures the SBA contends are "inappropriate" in its "Summary" on page 17 of the draft Review. Information cited in this Official Response regarding those financial transactions was obtained directly from these official documents. This Response will also reference other documents and information in the State's possession which support the contentions herein.

**Introduction**

On November 2, 2006, I received correspondence from the SBA dated October 26, 2006, wherein the SBA requested that I personally pay the State \$7,358.80 by November 6, 2006 for expenses the SBA contends represent "inappropriate" payments the Indiana Criminal Justice Institute made to me and vendors. (See "Attachment A" attached) I enclosed with my letter of response, my payment in the amount of \$684.00 as reimbursement for the following Check No.'s:

4483 (\$45.00-Clerk of Courts-dues); 4531 (\$60.00-Clerk of Courts-dues); 10517820 (\$210.00-Indianapolis Bar Association-dues); 4392 (123.07-Buca-food); 4660 (\$216.00-"advance" for NHTSA conference); 10543542 (\$30.00-"excess per diem reimbursement").

With respect to check number 4398 in the amount of \$245.46, I informed the SBA that I was without sufficient information to determine whether these expenses were allowable. I requested an itemization of the receipts labeled "various" on the SBA's exhibit so I could accurately determine the purpose of the meetings, who was in attendance and whether the primary purpose of the meeting was the exchange of technical information to further the administration of the ICJI. Further, I requested copies of all claim vouchers, supporting receipts and documentation, reimbursement claims, warrants and other documentation processed for each of the payments listed in the SBA's "Attachment A", including all documents identifying the ICJI staff accountant(s), SDO Officer(s), procurement officer(s), and other officials who certified claims for payment and/or processed the payments listed in "Attachment A".

The SBA provided this information. After reviewing separate receipts for lunch meetings totaling \$245.46, I agree to reimburse the State for these expenditures. The documentation from the State shows the meetings were regarding state business and not personal in nature and ICJI fiscal officers certified these expenditures as appropriate for reimbursement. Nevertheless, I have decided it is appropriate for me to reimburse the State for these meetings and will do so as part of a final resolution of all pending matters after further discussion with the SBA.

I am compelled to dispute the remaining expenses outlined to a varied degree of specificity in the SBA's Review Comments and "Summary" on page 17 which purports to show a summary only of "Inappropriate Expenditures", without supporting documentation. The following is my analysis of the State's Summary of alleged inappropriate expenditures and other findings set forth in the SBA's Review, including the basis for my dispute of the amounts the SBA contends were inappropriately paid by the ICJI.

**I. The Federal OMB Circulars are the controlling authority for determining allowable expenditures in the ICJI when the source of funds paid out by the agency was federal grant dollars awarded to the State by Agreement.**

The Indiana Criminal Justice Institute is a "Quasi-State Agency" since the agency operates largely from **federal funds** awarded to the State of Indiana through the Department of Justice, Office of Justice Programs. The ICJI has a myriad of complex "fund centers" from which operating expenses are paid, with the Planning and Administration ("P & A") dollars generally utilized for operating expenses and expenses associated with the agency's administration of federal grant dollars. (generally limited to approximately 10% of the total federal award to the State depending upon the Grant) The SBA's Summary of alleged inappropriate expenditures does not specify the fund center(s) used to pay the expenses listed. Whether the agency used its federal dollars and the fund center utilized is critical to the analysis of whether the expenditure was allowable and how to make the correction if the expenditure was not allowable. The agency has state "match" dollars that accompany federal grant awards and some additional state dollars that have specific requirements for allocation according to the grant.

The analysis contained in the State's Summary and throughout the entirety of the State's Review appears to be based solely upon the Indiana Financial Management Circular, yet there is no evidence that "state taxpayer dollars" were the source of the funds used to cover the expenditures listed for reimbursement such that the Indiana Financial Management Circular would be the controlling policy. Chapter 12 of the Indiana Accounting and Compliance

Guidelines Manual addresses guidelines for agencies that receive federal financial assistance. The Introduction section of Chapter 12 acknowledges that **"it is not possible to provide detailed instructions for grant and program accounting in this manual"**. (emphasis added) **Further, this section of the Manual refers agencies with federal financial assistance to the following core Federal Office of Management and Budget Circulars for guidance regarding requirements:**

Circular 1-133 Audits of States, Local Governments, and Non-Profit Organizations

Circular A-87 Cost Principles for State, Local and Indian Tribal Governments

OMB Circular A-133 Compliance Supplement

[OMB publications can be found at <http://www.whitehouse.gov/WH/EOP/OMB/Grants/>]

*See, Indiana Accounting and Compliance Guidelines Manual, Chapter 12:1, Introduction.*

Due to its operating budget of federal funds and the primary purpose of administering federal dollars in compliance with federal regulations, the ICJI relies heavily upon the **Federal OMB Circulars** to determine whether costs are allowable. The ICJI uses the State Accounting and Compliance Guidelines Manual and State Financial Management Circulars regarding Travel Policy and other such policies to determine the process of accounting. The ICJI has very recently posted information and links to Federal OMB Circulars on its revised website. The agency itself currently refers sub-grantees to Federal Circulars to determine their allowable costs as they allocate their (federal) grant awards in furtherance of their programs. During my tenure at the ICJI as its Executive Director, we routinely referred to Federal OMB Circular A-87 to determine whether certain costs were allowable. I relied upon my understanding and interpretation of this Federal Circular and the advice of designated staff members who consulted (or should have consulted) Federal regulations before authorizing expenditures. The ICJI staff attended trainings on the Federal OMB Circulars by the U.S. Office of the Comptroller to better understand the guidelines by which the agency must operate as the recipient of federal funds. It was always my understanding and apparently the understanding of certain key staff advising on these issues that the Federal OMB Circular was controlling.

OMB Circular A-87 states as its Purpose: "[t]his Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized Indian tribal governments (government units)." This Circular was our primary reference for determining allowable costs in the agency. OMB Circular A-87 Attachment A, Section C (1) outlines ten factors affecting allowability of costs and states in pertinent part:

To be allowable under Federal awards, costs must meet the following general criteria:

- a. Be necessary and reasonable for the proper and efficient performance and administration of Federal awards.
- b. Be allocable to Federal awards under the provisions of this Circular.
- c. Be authorized or not prohibited under State or local laws or regulations.

*OMB Circular A-87 Attachment A, Section C(1).*

**Assuming agency fiscal staff properly allocated costs to federal fund centers, OMB Circular A-87 is the controlling authority that the State Board of Accounts should have**

cited to support whether expenses were allowable.<sup>1</sup> Prior to the disbursement of any funds to me or any other agency official, the designated financial officer for the ICJI would review the reimbursement request and documentation; complete a Cost Allocation Sheet designating the federal grant fund center to be charged; sign the ICJI check as the authorized signator and/or complete and sign a Claim Voucher stating above the Authorized Signature "I certify that this claim is correct and valid and is a proper charge against the State Agency, Fund, and Center indicated."

I have reviewed the documentation of the alleged inappropriate expenditures cited in the SBA's Review and imputed to me individually (totaling \$6,673.80) and every expense was properly submitted using SBA approved forms and certified as correct and valid and proper charges against the State Agency, Fund, and Center indicated by the authorized ICJI fiscal officers Debbie Rosemeyer, Brenda Copass Israels, Donna Roberts and Mary Murdock.<sup>2</sup> It is clear from documentation that I complied with the SBA approved process for submission of claims for reimbursement. Agency officials must be able to have confidence in the fiscal staff of the Agency to provide the proper internal controls to serve as a check and balance on expenditures, particularly when in the case of a transition in the Administration those key fiscal officers have the distinct advantage of historical knowledge of state processes and procedures. To the extent the SBA contends certain expenditures were "inappropriate", it would seem imputing personal liability to me will not remedy what appears to be (1) the lack of proper training and knowledge of the ICJI fiscal staff of the state and federal financial circulars and accounting guidelines and/or (2) the fiscal staff's knowing and intentional certification of expenditures as appropriate with knowledge that such reimbursements could ultimately raise a "red flag" to the detriment of an agency official. However, given the extensive state government experience of Debbie Rosemeyer, Brenda Copass Israels and Donna Roberts who all served under the prior Administration, and Mary Murdock, who has been promoted to "Chief Operating Officer" at the ICJI, I choose to believe these fiscal officers reviewed documentation in good faith and certified my expenditures as appropriate based upon their specialized knowledge, training and experience.

The SBA's Review (1) fails to set forth any basis for imputing personal liability to the head of the agency for "inappropriate expenditures"; (2) misapplies only the Indiana Financial Management Circular 98-1 (cited in part and not in its complete language in "Attachment A") to an agency operated by federal grant dollars; (3) cites insufficient and misapplied authority for requesting reimbursement of CLE expenses; and (4) fails to identify fund centers to distinguish state vs. federal dollars.

## **II. SKIP Grant**

To date, the State has very publicly disseminated partial and misleading information regarding the alleged facts and circumstances surrounding this grant award. To that end, I

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<sup>1</sup> Agency documentation appears to confirm that expenses were allocated across federal grant administration dollars or in some instances charged to "other operating" expenses at the direction of the handwritten notes of former Fiscal Division Director, Debbie Rosemeyer.

<sup>2</sup> Debbie Rosemeyer served under the prior Administration and during part of my appointment to the ICJI as the Fiscal Division Director; Brenda Copass Israels has several years experience at the ICJI as an Accountant and currently works as an Accountant at the ICJI; Donna Roberts served as Deputy Director of Administration under the prior Administration and was retained by the current Administration; Mary Murdock served during my appointment as the Deputy Director of Administration, the highest fiscal officer in the Agency responsible for the daily operations of the fiscal division and management of state and federal funds. She is now the "COO" of the ICJI.

appreciate the SBA's attempt to convey a more balanced presentation of the facts, including a discussion of the former Deputy Director of Programs' efforts to obtain the approval of the Juvenile Justice State Advisory Group in compliance with Federal grant regulations. In a rush to judgment, some State officials made highly inflammatory and false statements regarding the SKIP grant that have proven wholly without merit. While this is not the best forum for this discussion, I will respond briefly to the SBA's consideration of this issue.

As the Executive Director of the ICJI, I was often approached by State Agency Heads, judges, prosecutors, community leaders and others who expressed interest in finding funding for their programs. It was common for me to personally meet with individuals to discuss their program concepts and to designate an agency staffer to assist the applicant through the grant application by providing technical assistance, including matching the applicant with a fiscal agent. I adamantly maintain that **I absolutely never intentionally circumvented processes and/or procedures in the award of the SKIP Grant.** Many of the circumstances cited by the State occurred during my fourth month on the job, my first time shepherding grants through the approval process.

I did not attend the JJSAG meeting, nor did I participate in the e-mail correspondence to JJSAG members to discuss the merits of the SKIP Grant. Ms. Gullans reported to me that the grant had been approved and showed me the e-mail of support from the JJSAG and Youth Subcommittee Chair. At the time the Youth Division prepared the Award Letter for the SKIP grant, I fully believed McKenna Consulting had appropriate standing to receive the Award and that the grant had the requisite level of approval.

The SBA is correct that minutes of meetings were often transcribed long after the actual meetings and agency staff transcribing minutes relied upon documentation from Division Directors. The approval of the SKIP grant occurred between the September 8, 2005 Board meeting and the December Board meeting. It appears the Youth Division updated its records to accurately reflect all Youth Division grants awarded out by the Agency between September 8, 2005 and the December Board meeting. The SKIP Grant was listed in the Youth Division's report in the December Board meeting minutes which were ratified by the Board.

The State makes much of the ICJI's serving as the fiscal agent. Frankly, the events leading up to this decision reveal inexperience with grant administration and events outside the ICJI's control more than any calculated plan. The State is right in part that had the Marion County Prosecutor's Office remained the legal applicant, the ICJI would never have been the legal applicant. What is missing, however, is the rationale for this decision, although that, too, is documented in correspondence in the State's possession.

Finally, the State references IC 5-2-6-8 regarding trustee approval of official actions. **This has not historically been the practice of the ICJI with respect to all grant awards.** Grant funding has been allocated by contract, executive discretion and traffic safety funding (which accounts for slightly more than 50% of the ICJI's funding) is granted entirely outside the ICJI Board of Trustees. For example, during my tenure at the Agency, the ICJI Board Chairman directed agency staff to set aside federal grant funding for special projects without approval of the full Board of Trustees. Despite this established and documented precedent, the State has focused solely on the SKIP grant as a purported example of a breach of procedures, although the State admits there are no written policies and procedures that direct the administration of ICJI grant funding.



In my fourth month on the job during the administration of the SKIP Grant, I always acted in good faith based upon the knowledge and information I had at that time. Over the months, we continued to evaluate business processes and learned to administer grants more effectively. The administration of the SKIP Grant was certainly bungled on my watch. For that, I have been held ultimately accountable and I regret the administrative errors that may have occurred. I truly regret that this resulted in a very uncomfortable public situation for dedicated ICJI staff and ICJI Board Members.

### **III. Compensation to Claimants of Violent Crimes**

It is extremely disappointing to learn that no new claims have been entered into the database since June, 2006. I cannot explain how this occurred since this happened after my termination. My suspicion is that ICJI staff prepared payments for the Deputy Director of Administration, Mary Murdock to make the payments to victims, yet these payments languished and were never sent out to victims despite the staff's diligence in processing for the Deputy Director of Administration. The problems with victims compensation have plagued the ICJI for many years pre-dating my time at the Agency and are sadly compounded by the escalating number of victims. The State simply has more victims than money and insufficient staffing levels to adequately administer the funding. I made this area a priority at the agency and began research and evaluation to address the problem. Other states have an average of approximately 10-15 staff members processing victims' claims (as opposed to Indiana's four) and legislation that caps the payout on violent crimes to the Medicaid or standard insurance rates, allowing clearer guidelines for compensation and compensation to more victims. Despite the issues cited with Victims Compensation, three experienced, talented staffers with legal backgrounds who were providing strong leadership that could have improved a longstanding problem at the ICJI were surprisingly terminated. These individual are passionate about helping victims and always did the best they could with available resources to provide service.

### **IV. The cost of Continuing Legal Education ("CLE") training provided for employee development is an allowable cost under Federal OMB Circular A-87, Attachment B, Section 42.**

Federal OMB Circular A-87, Attachment B, Section 42 states "[t]he cost of training provided for employee development is allowable." (emphasis added)

The State has requested reimbursement for my CLE's in the total amount of \$300.00. The ICJI employed five (5) attorneys in various capacities, including myself as the Executive Director. Upon the State's initial request for CLE reimbursement, I requested the State produce a copy of the written policy that prohibits attorneys employed by the State from attending reasonable, relevant CLE's at the cost of their employers. It was always my understanding that where the cost of the CLE was reasonable and the subject matter of the training was germane to the function of the Agency and the official's duties, such training is an allowable cost. The SBA cites as its authority a State Ethics Commission Official Advisory Opinion, and a May 2005 'Ethics News' issue; neither is controlling authority. The SBA's citations to these sources are further inadequate as they reveal no details of the facts or circumstances that lead to these conclusions in a "News" issue and a singular Advisory Opinion. Without the facts or circumstances, it is difficult to compare and contrast the circumstances in my case. However, the details are as follows:

The July 19, 2005 ICLEF Seminar in question was entitled "Revealing the Mysteries of Administrative Law". State employees who presented at this seminar included: **Indiana Inspector General, Dave Thomas** (who presented in part on an ICJI case that the agency self-reported); Public Access Counselor, Karen Davis; James A. Joven, Bradley W. Skolnik, Indiana Secretary of State; Linda R. Runkle, Indiana Department of Environmental Management; John Wood, John Renschler, Family & Social Services; Dave Certo, Indiana Bureau of Motor Vehicles; and Sheila O. McGrath, Office of the Indiana Attorney General.

This seminar covered information that was necessary and reasonable to my administration of the Agency and is an allowable expense under Federal OMB Circular A-87. Similarly, the additional CLE reimbursement was for an Ethics credit required for all attorneys to maintain annual standing and covered the new ethics rules. The seminar was entitled "**The New Ethics Rules**". Based upon the same analysis, this expense was also an allowable training for an attorney employee of the Agency.

Even under the State's analysis, I qualified for reimbursement of CLE expenses. The current and former General Counsel of the ICJI reported directly to me, including regarding the management of outstanding litigation, negotiation of the agency lease, contracts, and compliance with public access laws. Agency documentation will confirm that I routinely engaged in discussions with staff attorneys regarding legal matters. (as opposed to purely administrative matters) It is difficult to conceive that with so many attorneys having joined this Administration, the State would require every attorney to personally pay for training that furthers the employee's development in service to the State. The CLE trainings I claimed for reimbursement were highly specific to government service, appropriate to my role in the Agency and allowable under the Federal OMB Circular A-87, Attachment B, Section 42.

**V. The costs of meetings, including costs of meals, is an allowable expenditure under Federal OMB Circular A-87, Attachment B, Section 27.**

Section 27. Meetings and Conferences states "[c]osts of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes the costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences."

Section 13. Employee morale, health, and welfare costs, states "[t]he costs of employee information publications, health or first-aid clinics and/or infirmaries, recreational activities, employee counseling services, and any other expenses incurred in accordance with the governmental unit's established practice or custom for the improvement of working conditions, employer-employee relations, employee morale and employee performance are allowable. (emphasis added)

The State Board of Accounts has categorized food expenditures for new employee orientation luncheons as "inappropriate", citing only a partial quotation of the State Financial Management Circular 98-1 without listing the exceptions to this policy. To my knowledge, there is no state law or local (Marion County) law or regulation (ordinance or other promulgated rule) that prohibits these expenditures such that the Federal OMB Circular A-87 would not be controlling on this issue. Before incurring expenses to provide food for agency meetings regarding the administration of the Agency, we generally consulted OMB Circular A-87 for guidance. Under this Circular, Sections 13 and 27, the reasonable food (boxed lunches and standard meat and salad trays from state approved vendors) provided at work meetings was allowable.

"Attachment A" previously sent to me by the SBA listed two separate charges for "Buca". I incurred these expenses to pay for "New Employee Orientation" lunches held on a new employee's first day or during his/her first week at the Agency. This was a new custom I started at the Agency to build employer-employee relations, morale and discuss performance expectations. I personally covered many lunches and after-work expenses for employee meals, for which I never sought reimbursement from the agency. The Buca lunches represented a larger group orientation lunch and I submitted the documentation for the SDO Officer's review. The SDO Officer never objected to the expenditures as "inappropriate" and after review, reimbursed me for the expenses. These expenses fall within the allowable costs contemplated by Section 13. Further, to the extent the expenses are nevertheless deemed "inappropriate", the SDO Officer responsible for the distribution is personally liable for the expenses under Chapter 7 of the Indiana Accounting and Compliance Guidelines Manual for State Agencies. However, it was always my intent to provide a positive experience at the Agency for new employees by starting these orientation lunches. I routinely treated employees to lunch/dinner and used my personal funds to purchase gifts of appreciation for employees. Thus, I reimbursed the State for the Buca expenses and have included reimbursement for the one documented and itemized Buca luncheon in my payment.

The State has requested that I personally pay for box lunches served to state officials during planning meetings for the Governor's Meth Summit. I am frankly, stunned to see that the State feels these expenditures are "inappropriate". The meetings included independent contractors who are not state "employees". Further, by application of the federal rule, these meetings are clearly allowable expenses. ICJI Independent Contractor, Stephanie Jones kept meticulous records of the attendance at each meeting and prepared Agendas for every meeting. The technical aspects of these meetings are clearly within the parameters of Federal Drug & Crime Control Division grant funding. These were not social meetings, rather these were regularly scheduled working meetings (in lieu of state employees taking lunch) to plan the Governor's Meth Summit. We asked the group who organized the Summit to work very hard and provided a very reasonable light meal for the group as they worked through their lunchtime doing important State business. The meetings involved planning, sharing of technical information and resources about methamphetamine and coordination of a plan to address the environmental impact of methamphetamine. The source of the funds used to cover this expense was the Drug & Crime Control Division's federal Byrne/JAG funding. The State's "Attachment A" shows that the SDO Officer approved ALL these expenditures for Meth Summit Planning Meetings and paid them out, technically making him/her personally liable for these expenditures should the State continue to pursue this issue, albeit equally unfair to impose this sanction against the SDO Officer for these meetings. If there are personal expenses for my individual lunches at these meetings that the State can establish are not allowable by Federal guidelines, I will reimburse the state for my personal box lunch or sandwich. It is inappropriate under the rules to require me to personally pay for the cost of state officials' light meals during these meetings.

The SBA recently (in October) published an audit of the DOC Pendleton Correctional facility and cited an inappropriate catering expenditure for "Employee Appreciation Week". The correction made by the agency in response to its error was to implement a policy of obtaining pre-approval from the Budget Agency prior to incurring future expenses. There was no indication in the report that the Superintendent of the facility or the Commissioner of the I.D.O.C. was held personally liable for the expense and asked to reimburse the State for an expenditure cited in violation of Financial Management Circular No. 98-1. Rather, the SBA took the apparent and reasonable position of citing the inappropriate expenditure and cautioning the Agency.

Similarly, the costs of meals for the ICJI staff and other meetings listed are allowable costs under Sections 13 and 27 of the Federal OMB Circular A-87, Attachment B. The ICJI had a custom and practice of holding all-staff meetings to review presentations on grant management by Division Directors and address issues relevant to the administration of the agency and its funding. These meetings included Agendas and involved the dissemination of technical information. The meetings were not social gatherings. The State relies heavily on Financial Management Circular 98-1 and cites only a portion of the actual rule, as it is not without exceptions. The intent of the rule as discussed in its language, is to avoid the appearance that (State) taxpayer dollars are being used to inappropriately provide refreshments or meals at a state sponsored event. Again, it appears that the conflict between the State Financial Management Circular and Federal OMB Circular was not considered in the State's review of this issue. The ICJI continues to be a "conundrum" in this respect, as we routinely got conflicting opinions from our federal funding offices and the State officials, some of whom adhered strictly to their knowledge of the State rules, while ignoring that the Agency is operated on federal dollars and audited by the Federal Government pursuant to Federal OMB Circulars.

**VI. The Youthlinks Sponsorship is an allowable expense as an appropriate youth program expenditure authorized by the Chairman of the ICJI Board, Jason Barclay.**

Generally, purely charitable contributions or donations from a governmental unit are not allowable under Federal OMB Circular A-87 and the State Financial Management Circular. The Youthlinks tournament is distinguishable, however, in that it can be properly characterized as an allowable youth program with the Indiana Sports Corporation ("ISC") acting as the fiscal agent for the funds it subsequently grants out to qualifying youth organizations in the community. (as the agency routinely does with other youth "clearinghouse" organizations who sub-award money to youth programs and monitor performance)

When I joined the agency in April, 2005, I was not familiar with Youthlinks. Jason Barclay, Chairman of the Board of the ICJI and the Governor's Special Counsel and Policy Advisor was a member of the ISC Board at the time of this transaction and remains on its Board today. Mr. Barclay approached me and told me about his position on the Board and asked that the Agency support Youthlinks. I involved former Deputy Director of Programs, Kate Gullans to determine how this sponsorship should be executed and to meet with me and officials from the ISC to discuss Youthlinks. Kate was the Youth Division Director at the time of the Youthlinks sponsorship and her Supervisor was then Deputy Director of Programs, Nikki Kinkaid. \$3,600 of the sponsorship passed through to a youth sub-grantee by grant application to the ISC. The State can obtain documentation from the ISC regarding the outcomes of the program awarded the ICJI funding, as the ISC assured us in our meeting that this information is tracked for all grant recipients. Kate Gullans spent substantial time discussing the Youthlinks program with the ISC to ensure that the ICJI funds were matched with an appropriate youth program. Her detailed letter to the ISC is attached in the documents marked "Exhibit A". The Youth Division identified two particular organizations' after school programs to receive funding. The Youth Division matched the objectives of each program to the purpose areas of the grant funding center applied to sponsor Youthlinks, apparently believing the fund center to be appropriate. I seemed to recall that program income had been the source of funding for Youthlinks. However, the SBA has reported that Safe Haven funds were utilized. Kate Gullans submitted extensive documentation to support the Agency's sponsorship of Youthlinks, including noting on the Cost Allocation Sheet to the Fiscal Division Director, Debbie Rosemeyer to contact her if there were any questions regarding the sponsorship. On June 15, 2005, Debbie Rosemeyer certified the claim for \$5,000 for Youthlinks as correct and valid and an appropriate charge against the State Agency, Fund Center, and Center indicated. The Center indicated was Safe Haven.

I had just given birth to my son at the time of the Youthlinks event. I did not personally participate in the golf outing. As I recall, ICJI Board Chairman, Jason Barclay golfed in the foursome. I also recall Kate Gullans contacting Mr. Barclay to give him the opportunity to select individuals for the foursome. The SBA's Review makes a vague reference that I had "close friends" who participated in the golf outing, yet provides no further details about the outing. I have contacted those I consider my "close friends" and none of them golfed in the outing. Neither the SBA nor the ISC will release the names of those who participated in the outing, yet the SBA seeks to charge me personally for their participation in the outing. To the extent the State is making a demand that I pay for the outing, I respectfully request the SBA produce to me the names of those who participated in the ICJI foursome. The Hoosier Lottery (also a Quasi with some unique funding) sponsored Youthlinks this year. This event is thus, not an anomaly. Youthlinks is a reputable event with the primary purpose of serving Indianapolis youth. I believe youth were properly served by the funds the Agency allocated to this program.

## **VII. Public Funds For Sponsorships**

In addition to citing the Youthlinks sponsorship, the SBA has issued findings with respect to the Agency's sponsorships of the 2005 Circle City Classic and 2005 Big Ten Men's Basketball Tournament.

I have little information to respond to the Big Ten Men's Basketball Tournament. I recall former Deputy Director of Programs, Kate Gullans requesting to sponsor the event and negotiating the sponsorship. I did not attend the tournament, nor did any of my friends or family members. I do not agree to be personally liable for this sponsorship.

The SBA focuses on traffic safety sponsorships for various traffic safety programming at the Circle City Classic. The SBA is correct that NHTSA has allowed sponsorships in the past. In fact, the Regional NHTSA office had given wide latitude to the prior Administration, allowing the continued \$100,000 sponsorship of the Indy Jazz Fest (which included tickets to agency staff to attend the event and work the booth), sponsorships of Colts and Pacers games (including tickets which were reportedly disseminated to staff who attended games), and sponsorships of the Brickyard, Indianapolis 500, etc... most of which it appeared the former Communications Division Director under the prior Administration paid without a state contract approved by the Department of Administration, Attorney General and Budget Director as required. When I began at the Agency, we routinely received calls from sports organizations and radio stations expecting payment on invoices for which there were no Communications Division contracts. We sought to end this practice of signing large radio station and sports organization agreements without valid state contracts and disclosed any tickets that were part of a sponsorship.

Although I do not advocate the kind of latitude NHTSA allowed with respect to the prior use of traffic safety funds, it is unfortunate that the gate has swung so far in the opposite direction that NHTSA is now repudiating the sponsorships of Circle City Classic and the Big Ten Tournament which reach targeted NHTSA demographics. The current Communications Director and I met with the NHTSA State Representative at length about Circle City Classic and the Agency's sponsorship proposal after the August 15, 2006 letter. We spoke about the unprecedented restrictions NHTSA was placing on the Agency and informed the State Representative of the plans to proceed with Circle City Classic. We explained the targeted demographic, the traffic safety messaging that would occur at each event and disclosed the projected sponsorship range. The Agency should have documentation from this meeting that took place at the ICJI office. Months after the sponsorship, during one of her frequent visits to the

Agency, the NHTSA State Representative sent me an e-mail copying her bosses wherein she asked about the Classic sponsorship as if she knew nothing about the event. I responded with a detailed e-mail to the State Representative, copying her bosses, wherein I documented our prior discussions regarding these sponsorships. I heard nothing further from anyone at NHTSA in opposition to these events once I presented the facts leading up to the sponsorship.

The SBA characterizes certain items included with the sponsorship package as "personal in nature" and potentially in violation of Ethics Rules. The State has a copy of the **approved state contract** for the sponsorship of the Circle City Classic. All items included as part of the sponsorship were disclosed and approved by all the required state officials. The General Counsel reviewed the issue of tickets being included for agency staff access to events prior to submitting the contracts for approval and spoke with officials regarding the ethics of including tickets in sponsorships. I recall she was advised that the proper measure was to disclose all tickets in the contract process as we did. The SBA Review does not disclose that the ICJI conducted traffic safety programs at the Circle City Classic, including a non-alcoholic drink ticket booth, message boards, presentations to youth at the Pep Rally, radio ads, print ads, traffic safety messaging at the parade, and extensive earned media (a practice generally highly encouraged by NHTSA) at Classic events. NHTSA, by its own terminology at training does permit states to "buy earned media" as it now characterizes what used to be termed "sponsorships".

The ICJI disseminated Classic passes and tickets throughout state government to various State agency officials to represent the State at the Classic. To characterize this sponsorship as purely "personal in nature" to me individually is a gross mischaracterization of events. Agency staff used tickets to access events and worked at the events at booths, in the parade, or coordinating with Classic officials to ensure we received program deliverables. The Classic sponsorship was commensurate with agency practices and in line with traffic safety program goals. The event was well supported by State government and the Governor handed out footballs during the parade with the "Governor's Council on Impaired and Dangerous Driving" logo.

I did not violate any State Ethics Rules by these sponsorships. Agency representatives should be able to access events at which they are representing their Agency, particularly when working at the event. To my knowledge, these events were properly approved through the State's contract process and all terms of sponsorships were disclosed.

### **VIII. State Procurement Rules**

On page 13 of the Review, the SBA makes some generalized statements regarding the alleged lack of compliance with procurement rules. The State does not specify when these alleged violations occurred. I can confirm that the former General Counsel during my time at the Agency worked diligently to clean up the procurement process and noted a lack of contracts for many pre-existing transactions. The Department of Administration can confirm her work with them to improve agency processes. There is a reference to my alleged "commitments" without details to which I can respond. I may have expressed positive support for a program via e-mail, however, that is not tantamount to a "commitment" to the extent it constitutes "non-compliance with state procurement rules". Vendors, particularly those with state contract experience, are well aware that there is no "commitment" without a valid state contract. It was not my practice to promise that I could simply contract out funds by executive decision.

The State strongly encouraged increased procurement with minority suppliers and the Department of Administration sent correspondence tracking Agencies' minority participation. Provided that a vendor was properly certified on the State's "QPA and provided good quality at competitive prices, the Procurement Officer would purchase from pre-approved minority suppliers. It was important to me that the ICJI be in the lead group of agencies responding to the charge of increasing quality minority vendor participation. Despite their valid status on the State's QPA, I have learned that upon my termination, the Agency terminated purchasing from several minority vendors. I would surmise that these are some of the "commitments" the Agency cancelled. With respect to a selected minority technology vendor, the ICJI did put out a proper Request for Contracts on my watch prior to purchasing from the technology services vendor approved on the state QPA. Further, the ICJI did not participate in support of Indiana Black Expo or Circle City Classic after my termination, further undermining agency efforts to increase quality minority participation. It is unfortunate that the State did not look favorably upon procurement from some of these vendors, as we were provided quality products and services at a competitive cost from Indiana companies that happen to be owned and/or operated by minorities.

#### **IX. Lack of documentation**

The SBA states "ICJI could not locate many documents selected for our review". Mary Murdock was designated the point person to have all contact with SBA Auditor, Patti Serbus for production of Agency documents. I was placed on leave from the Agency very soon after the SBA began its review of documents and thus cannot fully respond to the finding of lack of documentation. Former Deputy Director of Administration, Donna Roberts reported to me and Administration Officials shortly after the election that prior ICJI staffers destroyed documents before resigning or being terminated during the transition period. Agency staff reported a noticeable lack of documentation in the Communications Division to properly account for the expenditure of traffic safety funds. With turnover and gaps in knowledge, I imagine there were improperly documented expenditures on my watch. The former General Counsel distributed a document retention schedule to all ICJI employees to properly inform staff of their duties with respect to documentation. The State has a record of her work to remediate this problem.

#### **X. The ICJI Special Disbursing Officer(s) is accountable at all times for all sums advanced and is personally liable to the state for any amounts expended in any manner not in accordance with the authorization. The SDO officer may be held personally responsible for the amount needed to balance the fund or for amounts improperly expended.**

During the course of the SBA Review, it became apparent that SDO policies and procedures were lacking in the Agency prior to my Appointment. Agency staff discovered and began to address SDO issues during the latter part of my tenure. Historically, SDO Officers never reconciled the account and the Agency had no written SDO policies and procedures. Upon discovery that former SDO officers, Sherry Green and Donna Roberts had not been reconciling the Account, Mary Murdock opened a separate SDO Account to separate her administration of the SDO from others'. Chapter 7 of the Indiana Accounting and Compliance Guidelines Manual clearly imputes personal liability to SDO Officers as the ultimate check and balance on expenditures paid out of this account. The SDO account is the special means by which the Agency can issue checks outside the process of submitting vouchers to the State Auditor for payment by State check (warrant). Thus, the role of the SDO officer is a serious one, as he/she is the ultimate authority for distributions from the

Agency's SDO Account. The majority of the funds at issue in the State's "Attachment A" summarized on page 17 of the Review were paid by various SDO Officers in the ICJI. The SDO Officer participates in specialized training for this position, including procurement training for the purpose of being the internal check and balance on disbursements. I never directed any SDO Officer to pay out funds over his/her objection or in knowing violation of any applicable State or Federal guidelines. The SDO Officers never objected to the expenses in "Attachment A" as "inappropriate", nor did they personally inform me that they deemed any of these expenses as "inappropriate". As the "gatekeepers" for certain agency expenditures, the SDO Officers each reviewed and paid out these disbursements, thus certifying the expenditures as appropriate. I believe each officer administered the account to the best of his/her ability based upon the information/training he/she had at the time. The SDO rule in Chapter 7 is permissive and does not mandate that an SDO Officer be held personally liable. However, the SBA has not stated its rationale for bypassing the SDO Officer(s) completely and imputing personal liability to an agency head in contradiction of the rule.

Further, SDO Officer, Mary Murdock was promoted after my termination and in the midst of an audit that revealed her significant errors in the administration of the SDO account, Victims Compensation and other financial accounts. During the investigation of the Agency, Ms. Murdock commented to me and others that the SBA auditor warned her about her errors in the administration of the SDO account and told her that she was "personally responsible" for the account. As a matter of policy, the exposure to personal liability could deter people from taking on such important administrative responsibilities in State Government. For that reason, I would imagine as a matter of policy, the SBA would exercise its discretion to impose personal liability in very limited situations. I believe that agency staff operated in good faith with respect to the SDO account, particularly given that many were new to the agency and/or State Government. The Federal OMB Circular as outlined herein establishes that many of the cited expenditures were in fact "allowable". To the extent the SBA persists in its finding that SDO disbursements were inappropriate, however, Chapter 7 of the State Accounting Manual directs the State to its SDO Officers responsible for each distribution for relief. It is my sincere hope that the SBA will follow the precedent it set in the case of other audits and use its discretion to issue a warning. As the SBA has done in many other audits, the appropriate measure in this instance is to encourage clear SDO policies and procedures and other corrective action without the punitive action of imposing personal financial liability to agency officials who were working to ramp up their knowledge of process during a change in the administration.

## **XI. Travel**

There are several findings that involve agency travel. During my time at the ICJI, I requested a meeting with a representative from the State Travel Office of the Department of Administration to learn the appropriate travel policies and procedures, as the opportunities for error seemed plentiful. State travel is document intensive and knowledge of the rules varied among staff. Thus, I called a meeting with the travel office staffer, Mary Murdock (who administered travel reimbursements) and Kate Gullans. I explained to the travel office representative that we seemed to always have problems processing travel requests and reimbursement claims and we were interested in making sure we knew the process. She was very appreciative of our efforts to involve her and apologized to us for not telling the ICJI about the State's Travel Card already available and in use by other agencies for procurement of travel. This tool would have eliminated the use of advances and greatly streamlined documentation of travel expenses. Mary Murdock was instructed to complete all documents



for the Agency's approval of the State Travel Card. This began sometime near January, 2006. As of May, 2006, she had yet to complete the process. The Travel Card will likely reduce error in the Administration of Travel. Administrative staff often complete reimbursement forms for certain Executives, but it is incumbent upon each individual traveler to review the reimbursement form. It appears I did not catch the error in including the breakfast and lunch per diem on my reimbursement claims when those meals were provided at the conference.

With respect to the New York trip, I would remind the SBA that there is e-mail correspondence from me to Mary Murdock requesting that she put in writing any amounts I owed from the New York trip so I could submit payment. I sent this e-mail approximately 6-8 weeks prior to the SBA's Review of the ICJI. I spoke with Ms. Murdock about the trip in person and she indicated that she thought I was "fine". Nevertheless, I told her again that I wanted documentation of any outstanding advances in writing and attached to the e-mail. She failed or otherwise refused to do so, yet was able to immediately produce the same for the SBA and OIG upon request. Once I finally received the documentation from the SBA of the \$246.00 I owed, I immediately paid the State.

## **XI. Conclusion**

When I accepted the post at the ICJI, I entered an agency with no operating budget, a history of de-obligating in excess of \$350,000 annually to the federal government due to failure to manage and award out grant funding, an SDO Account that had never been reconciled, an antiquated system of accounting for over \$60 million on multiple Excel spread sheets, and numerous large payments from the Communications Division to vendors without state approved contracts. Accounting processes were duplicative and ripe for error. We worked diligently to retool agency operations and that work was an ongoing learning process.

It is my sincere hope that the State Board of Accounts will use this long overdue audit of the ICJI as an opportunity to be instructive to the Agency as opposed to punitive to me individually. I conducted my duties at the Agency in good faith, always consulting designated staff members before determining whether expenditures and actions were appropriate. The suggestion that I should suffer personal financial liability goes well beyond the level of accountability that appears to be the standard for other State officials and is contrary to State rules that establish the accountability of SDO Officers and designated officials responsible for certifying claim vouchers.

However I have learned that certain expenses reimbursed to me were not allowable by Federal (and State if applicable) guidelines, despite my good faith (mis)understanding at the time I submitted the claims. By my previously submitted payment and acknowledgements herein, I have accepted full responsibility for those expenses and have reimbursed the State immediately.

I look forward to receiving the documentation requested herein and I respectfully request the opportunity to meet with SBA representatives at a time and place convenient to all concerned. Please continue to address any correspondence to my Attorney;

Richard Kammen

Gilroy, Kammen & Hill  
One Indiana Square  
#150  
Indianapolis, In. 46204

Very Truly,

*Heather Bolejack*

ATTACHMENT A  
INDIANA CRIMINAL JUSTICE INSTITUTE  
Heather Bolejack - Inappropriate Expenditures

Type	Receipt Date	Ck#	Ck# Date	Payee	Amount	Purpose	Notes
SDO		4445	07/19/05	ICLEF	200.00	CLE seminar	
SDO		4483	08/11/05	Clerk of the Courts	45.00	dues	
SDO		4531	09/14/05	Clerk of the Courts	60.00	dues	
Claim		10517820	03/01/06	Indianapolis Bar Assoc.	210.00	dues	
Claim		10524626	03/09/06	Heather Bolejack	100.00	CLE reimb	
SDO	05/09/05	4392	05/19/05	Heather Bolejack	123.07	food*	Buca charge;
SDO	various	4398	06/03/05	Heather Bolejack	245.46	food/park*	Bertoli, Champps, Buca, Cracker Barrel, etc
SDO	05/19/05	4394	06/03/05	Coolbaker's International	33.99	food*	
SDO	10/31/05	4583	11/10/05	Coolbaker's International	53.97	food*	DNR/Child services (state emps) lunch; HB approved (in staff email)
SDO	11/21/05	4605	12/02/05	Coolbaker's International	235.45	food*	10/31 CJI staff 9:00
Claim	08/05/05	1461484	08/25/05	Coolbaker's International	42.98	food*	11/21 ICJI staff meeting 11:30
Claim	08/08/05	1461484	08/25/05	Coolbaker's International	140.91	food*	ICJI Staff meeting
SDO	10/19/05	4568	10/19/05	Mark Roberts	27.45	food*	minority appointees meeting
SDO	11/02/05	4583	11/10/05	Coolbaker's International	146.94	food*	10/19 meth meeting; from Subway - Heather's responsibility
SDO	11/14/05	4586	11/14/05	Mark Roberts	125.55	food*	11/2 meth planning meeting
SDO	11/07/05	4594	11/22/05	Coolbaker's International	74.86	food*	Part of \$186.30 reimb; meth meeting; Heather's responsibility
SDO	11/02/05	4605	12/02/05	Coolbaker's International	118.82	food*	11/7 meth planning meeting
SDO	12/07/05	4628	12/16/05	Coolbaker's International	128.35	food*	11/22 meth planning meeting
Trav Adv	Feb-06	4660	02/15/06	Heather Bolejack	216.00	advance	
Travel	Feb-06	10543542	04/03/06	Heather Bolejack	30.00	per diem, pkg	Advance not repaid; NHTSA conference
Claim	06/08/05	Oct-77	6/21/052	Indiana Sports Corp.	5,000.00	sponsorship	Excess per diem reimbursement
Total					\$ 7,358.80		Paid for golf foursome and donation to Youth Links Golf Tournament - inappropriate use of agency funds

\* According to Financial Management Circular 98-1, "Spending taxpayer dollars for meetings or events involving only state employees when no travel is involved is not appropriate".



## 2005 Youthlinks Indiana

# INVOICE

June 8, 2005

Ms. Kate Gullans  
The Indiana Criminal Justice Institute  
ICJI Youth Division  
One North Capitol Ave., Suite 1000  
Indianapolis, IN 46204

The Development Committee of the  
2005 Youthlinks Indiana Charity Golf Tournament  
thanks you for your generous support of this event  
and your commitment to today's youth.

*Amount due for one (1) Birdie-level foursome...\$5,000.00*

ISC Sponsorship

Reference Grant #: 04-SH-000

**Please make check payable to Youthlinks Indiana and return to:**

Youthlinks Indiana  
Indiana Sports Corporation  
201 South Capitol Ave., Suite 1200  
Indianapolis, IN 46225  
317-237-5000 (phone)  
317-237-5041 (fax)

This contribution is tax deductible to the fullest extent of the law.  
Per IRS regulations, a written statement will be mailed to you  
informing you of the contributed amount that qualifies for a deduction.

Attachment B

June 8, 2005

Ms. Shelley Raper  
Director of Youthlinks Indiana  
Pan American Plaza  
201 South Capitol Avenue, Suite 1200  
Indianapolis, IN 46225-1069

RE: ICJI Sponsorship

Dear Ms. Raper:

The Indiana Criminal Justice Institute's Youth Division is excited to partner with Indiana Sports Corporation as a sponsor for the Youthlinks Indiana Charity Golf Tournament. With ISC impacting more than 57,000 kids over the past six years and with CAMPS supporting grants to organizations that provide underserved youth the opportunity to participate in sports-related activities that incorporate teaching life skills into the programming, the partnership between ICJI and ISC is a great fit.

The 2005 CHAMPS recipients represent a diverse group of organizations which provide educational and athletic programming to youth in Indiana. The Youth Division has identified two particular CHAMPS organizations that incorporate key educational and awareness components as part of their programming:

- The Community Addiction Services of Indiana, Inc. implements "The Confidence Club" as an after school program at Harshman Middle School. The program consists of education programs for substance abuse and violence prevention, education of healthy habits and physical health promotion, in addition to a wide-range of programming on goal setting, self-respect, etiquette, and cultural diversity.
- La Plaza (Hispanic Education Center) offers "2005 Summer Discovery" which includes the La Plaza's Mother-Daughter program which partners with George Washington Community School, Harshman Middle School, Farrington Middle School, Indiana University of Social Work, and Project Gear-UP. In addition, La Plaza's El Puente program teams with Arsenal Tech High School, Northwest High School, George Washington Community School, and Pike Township High School to provide programming on team work, leadership development, positive conflict resolution, critical thinking, healthy living, and community responsibility through community service.

Based on the programming information ISC has provided to us regarding the various educational components each of the 2005 CHAMPS recipients implement and the opportunity that the Youth Division has to support initiatives which mirror priorities set by the agency and the Division, I am pleased to inform you that the Indiana Criminal Justice Institute would like to sponsor the Youthlinks Indiana Charity Golf Tournament in the amount of **\$5,000.00**.

In order to receive the funds you will need to submit an invoice to the Institute. On the invoice be sure to note the following:

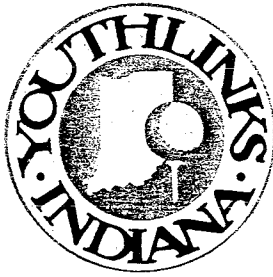
- ICJI Youth Division
- ISC Sponsorship
- Reference Grant #: 04-SH-000
- Project Title: Youthlinks Indiana Charity Golf Tournament

The invoice should be directed to: ICJI, Youth Division, One North Capitol Avenue, Suite 1000, Indianapolis, IN 46204. If you have any questions regarding the process or need assistance please contact me at (317)233-3340 or by e-mail at [kgullans@cji.in.gov](mailto:kgullans@cji.in.gov).

Sincerely,

Kate Gullans  
Youth Division Director

Cc: Heather Bolejack, Executive Director, ICJI  
Nikki Kincaid, Deputy Director Programs & Research, ICJI  
Jill Jansen, Vice President of Corporate Relations and Services, ISC



July 12, 2005

Ms. Kate Gullans  
Indiana Criminal Justice Institute  
One North Capitol Avenue  
Suite 1000  
Indianapolis, IN 46204

Dear Kate:

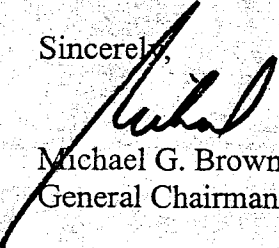
More than 650 golfers participated in the 18<sup>th</sup> annual Youthlinks Indiana Charity Golf Tournament held at five private golf courses on Monday, June 27<sup>th</sup>.

On behalf of Youthlinks Indiana Charity Golf Tournament, I wanted to personally thank you for your support. Since 1988, 190 youth-serving organizations have received grants through the CHAMPS (Champions in Life) Program. The funding supports programs that provide underserved youth the opportunity to participate in quality sports-related activities that also teach life skills.

A total of 119 Indiana elite athletes have been awarded Future Olympians grants since 1988 with 22 of these athletes participating in Olympic and Paralympic Games. The Future Olympians grant program assists deserving Indiana athletes who have the ability to compete at the elite level and demonstrate financial need to defray costs of training, equipment, travel and medical expenses related to competition.

Youthlinks Indiana Charity Golf Tournament continues to be the largest golf tournament in the Midwest and one of the premier tournaments in the country thanks to your continued support. The 19<sup>th</sup> edition of Youthlinks Indiana Charity Golf Tournament will be held on June 25<sup>th</sup> and 26<sup>th</sup>. We look forward to your helping us again. Thank you very much.

Sincerely,

  
Michael G. Browning  
General Chairman

RECEIVED

JUL 13 2005

INDIANA CRIMINAL  
JUSTICE INSTITUTE



## RECEIPT

July 11, 2005

Ms. Kate Gullans  
Indiana Criminal Justice Institute  
One North Capitol Avenue  
Suite 1000  
Indianapolis, IN 46204

---

**The Development Committee of  
the 2004 Youthlinks Indiana Charity Golf Tournament**

**acknowledges the receipt of**

**\$5,000.00**

**payment-in-full for one (1) Birdie level foursome.**

Indiana Sports Corporation is a 501 ( c ) ( 3 ) charitable organization.

The good faith value estimate of the goods and services  
received in return for your foursome is \$1,400.  
For tax purposes, consider \$3,600 as a charitable contribution.

THANK YOU

for your generous support of Youthlinks Indiana.



# VOUCHER ABSTRACT -- FORM A-3

State Form 22933 (R 2/1-96)

Approved by State Board of Accounts, 1996.

**AGENCY NOTICE:** Use this form as a covering transmittal for vouchers chargeable.  
Send two copies to the Auditor of the State of Indiana.

DOCUMENT NUMBERS	
Starting Number	C032006290
Ending Number	C032006290
Date (Month, Day, Year)	06/15/05

SIGNATURES FOR APPROVAL	
Department of Administration Signature	
Date Received (Mo., Day, Yr.)	Date Approved (Mo., Day, Yr.)
Budget agency Signature	
Date Received (Mo., Day, Yr.)	Date Approved (Mo., Day, Yr.)

AGENCY FILL IN	
Fund / Object / Center	2780/537000/100100 <i>Safe Haven</i>
Agency Name	CRIMINAL JUSTICE INSTITUTE
Agency Number	.032

AGENCY LEAVE BLANK	
Control Group Number	

PAYEE (Double space, use reverse side if necessary)	AMOUNT
<div style="position: relative;"> <div style="position: absolute; left: -100px; top: 50px;">6/21</div> <div>YOUTHLINKS INDIANA ISC SPONSORSHIP</div> <div style="position: absolute; left: 100px; top: 50px;">014/6321</div> <div style="position: absolute; left: 100px; top: 500px;">04 SH 000</div> </div>	<div style="text-align: right;">\$5,000.00</div> <div style="text-align: right; margin-top: 500px;"> <i>PCR</i>  <i>FTH</i> </div> <div style="text-align: right; border-top: 1px solid black; margin-top: 10px;">\$5,000.00</div>

Approved by State Board of Accounts, 2004.

Name of agency personnel who prepared this claim.	
Name: BRENDA COPASS-ISRAELS	Phone: 233-3338

**INSTRUCTIONS:** This agency is requesting disclosure of your Social Security Number in accordance with I.C. 4-1-8

VENDOR INFORMATION		AGENCY INFORMATION	
Document Number C03200 <b>6290</b>	Date (Month, Day, Year) 6/15/2005	Agency Name <b>CRIMINAL JUSTICE INSTITUTE</b>	
Vendor Name <b>YOUTHLINKS INDIANA</b>		Agency Number <b>032</b>	
Address (Number, Street) <b>INDIANA SPORTS CORPORATION</b>		Social Security Number	1099 CODE
Address (P.O. Box Number) <b>201 SOUTH CAPITOL AVE, SUITE 1200</b>		Federal I.D. Number <b>031 0975117</b>	1099 CODE <b>NO</b>
City, State, and ZIP Code (00000-0000) <b>INDIANAPOLIS, IN 46225</b>		Vendor Number	

**AREA BELOW TO BE COMPLETED BY AGENCY.**

[illegible]

**CRIMINAL JUSTICE INSTITUTE #032**

Authorized Signature of State Agency

Date (Month, Day, Year)

Pursuant to the provisions and penalties of Indiana Code 5-1-11-10-1, I hereby certify that the foregoing Fund and Center is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid.

**Signature of Vendor**

Date (Month, Day, Year)

# Cost Allocation Sheet

Debb-  
let me know  
if you have  
any questions.  
Thanks  
Kate

## Pre-Purchase Approval:

Program Person: \_\_\_\_\_  
Fiscal Person: \_\_\_\_\_  
Supervisor: Nikki Kincaid NR 6/13/05  
Communications Person: \_\_\_\_\_

## Fiscal Use Only

Minor Object Point: \_\_\_\_\_  
QPA# \_\_\_\_\_  
REQ # \_\_\_\_\_  
FO# \_\_\_\_\_

Item purchased from (Company Name): Indiana Sports Corp.  
Item Description: Safe Haven Sponsorship Date Ordered: 6.8.05  
Invoice #: \_\_\_\_\_ Invoice Amount: \$ 5,000.00  
Division Associated with purchase: Youth  
Is this item connected with a specific contract or event? \_\_\_\_\_

Item purchased should be charged to the following programs, and if to be shared, please indicate the percentage to be charged to each program:

Program	%	Program	%	Program	%
<input type="checkbox"/> JAIBG		<input type="checkbox"/> Juvenile Justice		<input type="checkbox"/> Coroners	
<input type="checkbox"/> Rural Grant		<input type="checkbox"/> State Victim Asst.		<input type="checkbox"/> Proj. Safe Neighborhood	
<input type="checkbox"/> Dept. Health/Ong		<input type="checkbox"/> Underage Drinking		<input type="checkbox"/> Gaming	
<input checked="" type="checkbox"/> Safe Haven	100%	<input type="checkbox"/> Police Corp		<input type="checkbox"/> Traffic Safety	
<input type="checkbox"/> Criminal Law Study		<input type="checkbox"/> STOP		<input type="checkbox"/> Drug Free	
<input type="checkbox"/> Victim Comp		<input type="checkbox"/> Victim Assistance		<input type="checkbox"/> DMHA	
<input type="checkbox"/> NCHIP		<input type="checkbox"/> Drug & Crime Control			
		<input type="checkbox"/> Split evenly among those programs checked above			

Please list, if applicable, the grant # to be charged for the above item: 04. SH. 000  
OR...

Item(s) purchased should be charged to the following person(s) and allocated among the programs that they've worked on (as indicated on their monthly time distribution sheet).

- |  |   |  |
|--|---|--|
| <input type="checkbox"/> Alicia Gahimer        | <input type="checkbox"/> Jason Matejekowski | <input type="checkbox"/> Stephanie Jones         |
| <input type="checkbox"/> Becky Schmidt         | <input type="checkbox"/> Jennifer Wagner    | <input type="checkbox"/> Tamika Smith            |
| <input type="checkbox"/> Brenda Copass-Israels | <input type="checkbox"/> Jerry McCorry      | <input type="checkbox"/> Terrie Grantham         |
| <input type="checkbox"/> Brent Myers           | <input type="checkbox"/> Josie Williams     | <input type="checkbox"/> Janet Bell              |
| <input type="checkbox"/> Robin Tew             | <input type="checkbox"/> Lucy Swalls        | <input type="checkbox"/> Rick Erny               |
| <input type="checkbox"/> Cathy Whitaker        | <input type="checkbox"/> Mary Ziemba-Davis  | <input type="checkbox"/> David Benjamin          |
| <input type="checkbox"/> Charlotte Asburn      | <input type="checkbox"/> Micah Cox          | <input type="checkbox"/> Shared By All           |
| <input type="checkbox"/> Damica O'Bryant       | <input type="checkbox"/> Nikki Kincaid      | <input type="checkbox"/> Shared By All excluding |
| <input type="checkbox"/> Debbie Rosemeyer      | <input type="checkbox"/> Pauline Pollard    | <input type="checkbox"/> Police Corp             |
| <input type="checkbox"/> Donna Roberts         | <input type="checkbox"/> Sarah Davis        | <input type="checkbox"/> Other                   |
| <input type="checkbox"/> Felix Yau             | <input type="checkbox"/> Scarlett Siefert   |  |
| <input type="checkbox"/> Jan Todd              | <input type="checkbox"/> Sherri Deane       |  |
| <input type="checkbox"/> SHERRY GREEN          |   |  |

06/15/2005 09:23 317-233-9912

VICTIMS SERVICES

PAGE 02

State Form 23743(R 07/01)  
 Approved by State Board of Accounts 2001  
 Approved by Auditor of State 2001

W-9

DO NOT send to IRS

Print or Type

Legal Name (OWNER OF THE EIN OR SSN AS NAME APPEARS ON IRS OR SSN RECORDS)  
 DO NOT ENTER THE BUSINESS NAME OF A SOLE PROPRIETORSHIP ON THIS LINE

Return to address below

X Indiana Sports Corporation dba Youthlinks Indiana

Trade Name Complete only if doing business as (DBA)

X  
 Remit Address

201 S. Capitol Avenue, Suite 1200 Indianapolis, IN 46225

Purchase Order Address- Optional

Check legal entity type and enter 9 digit taxpayer identification Number (TIN) below.  
 (SSN = Social Security Number, EIN = Employer Identification Number)

SSN or EIN must be for  
 legal name above.

☐ Individual

(Individual's SSN) \_\_\_\_\_

☐ Sole Proprietorship (Owner's SSN or Business EIN)

SSN \_\_\_\_\_  
 EIN \_\_\_\_\_

☐ Partnership ☐ General ☐ Limited

(Partnership's EIN) \_\_\_\_\_

☐ Estate/Trust

Note: Show the name and number of the legal trust, or estate, not personal representatives.

(Legal Entity's EIN) \_\_\_\_\_

☐ Other (Limited Liability Company, Joint Venture, Club, etc)

(Entity's EIN) \_\_\_\_\_

☒ Corporation Do you provide legal or medical services?

☐ Yes ☒ No

(Corp's EIN) 31-0975117

☐ Government (or Government operated entity)

(Entity's EIN) \_\_\_\_\_

☐ Organization Exempt from Tax under Section 501(c)(3)  
 Do you provide medical services?

☐ Yes ☐ No

(Org's EIN) \_\_\_\_\_

☐ Check here if you do not have a SSN or EIN but have applied for one.

Under penalties of perjury, I certify that:

(1) The number listed on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me) AND

(2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding (does not apply to real estate transactions, mortgage interest paid, and acquisition or abandonment of secured property, contribution to an individual retirement arrangement (IRA), and payments other than interest and dividends.)

CERTIFICATION INSTRUCTIONS - You must cross out item (2) above if you have been notified by the IRS that you are currently subject to backup withholding because of under reporting interest or dividends on your tax return.

THE IRS DOES NOT REQUIRE YOUR CONSENT TO ANY PROVISION OF THIS DOCUMENT OTHER THAN THE CERTIFICATIONS REQUIRED TO AVOID BACKUP WITHHOLDING.

I am a U.S. person (including a U.S. resident alien).

X NAME (Print or Type)

Lynn Burger

X TITLE

Financial Services Manager

X AUTHORIZED SIGNATURE

*Lynn Burger*

X DATE

6-15-05

PHONE X (317) 237-5009

Agency

Agency use only  
 1099

☐ Yes ☐ No

Approved by: \_\_\_\_\_

- 42 -

To: Patti Serbus  
Field Examiner  
State Board of Accounts  
State of Indiana

From: Katalina Gullans 

Date: November 30, 2006

RE: Response to Review Comments dated May 31, 2006

Dear Ms. Serbus,

I have reviewed the comments provided to me regarding "Personal Use of Public Funds for Out-of-State Conference" as it specifically relates to travel for the former ICJI executive director to attend a February 2006 NHTSA conference in New York City. The comments below provide specific documentation regarding the circumstances which surround this travel.

On or around February 17<sup>th</sup>, 2006, the former ICJI executive director attended a NHTSA conference held in New York City. As the administering agency of NHTSA funds, ICJI had provided a list of ten names of individuals that would attend the conference with expenses paid directly by NHTSA. This list was provided by Dan Jefferies (division director at the time). The former ICJI executive director was not included on this list; however, she wanted to attend, so arrangements were made to add her to the list of conference attendees. However, the state would be responsible for fees related to her travel.

The former ICJI executive director was the only member of the ICJI executive staff to attend this meeting. Arrangements for any advance monies for her travel were not done by me; these were handled between Mary Murdock (deputy director of administration) and Heather Bolejack (former executive director). On or around February 17<sup>th</sup>, I received both emails and voicemails from Ms. Bolejack asking that either Mary Murdock or I contact her in New York City. Since I did not check my work email or work cell phone voicemail until sometime in the evening, it wasn't until late that evening (on approximately February 17<sup>th</sup>) that I returned Ms. Bolejack's phone call.

The former ICJI executive director informed me that the check that Mary Murdock had provided to her to cover the costs at the Crowne Plaza New York was not accepted by the hotel due to the required wait-time in which they must hold the check to ensure that it clears. A check was not accepted by the hotel; a credit card had to be used. (Due to other travel arrangements that had to be made for Ms. Bolejack, she had informed me that she did not have a credit card.) I informed Ms. Bolejack that I would call the front desk to see what we could do. I contacted the Crowne Plaza hotel and was informed by them that a credit card could be provided to transfer charges to that credit card. As this was in the evening, the front desk informed me that they didn't need anything done that night; as long as the credit card information was provided the next morning. I contacted Ms. Bolejack to explain the situation regarding payment. She informed me that she did not have a credit card and that her husband didn't have a method of payment either. I told Ms. Bolejack that I could have the hotel fax a credit card authorization to the ICJI office and that I would place the charges on my card and that she would reimburse me upon her return once she had completed her out-of-state travel reimbursement documents.

I contacted the Crowne Plaza hotel and they faxed the credit card authorization forms to the ICJI office. I went in to the office the next morning, completed the forms, and faxed the signed credit card authorization forms and a copy of my IDs to the hotel. Once this had been completed, I contacted Ms. Bolejack to inform her that the charges had been switched to my credit card.

Ms. Bolejack called me later that morning and informed me that while the hotel charges had been switched, there were still problems with her travel. Ms. Bolejack explained that she had provided the hotel with her personal debit card to cover incidentals during her stay and that the hotel had placed a 'hold' on funds in her checking account to cover the costs associated with the room charges and incidentals. Ms. Bolejack further indicated to me during our phone call that she was now without funds as her checking account was frozen because of the hold and that she did not have any access to money. I asked her if her husband could deposit money in to her account and she informed me that he couldn't. I told her that the only other option would be if I put money in to her account, which she readily agreed to. Ms. Bolejack asked if I would deposit \$500 in to her Teacher's Credit Union checking account. That was a significant amount of money that I would place in her account and told her that I wouldn't be able to do \$500, but that I could possibly do \$300. Ms. Bolejack agreed and provided

me with her Teacher's Credit Union checking account. She informed me that the closest bank that would be open on a Saturday would be the Teacher's Credit Union located on 96<sup>th</sup> street. Ms. Bolejack thanked me for helping her out and told me that she would tell Mary Murdock to pay me from the SDO account right-away and that Ms. Bolejack would reimburse the SDO account when she completed her out-of-state reimbursement documents. Mary Murdock happened to be out of town that weekend and contacted me (either by email or phone) and apologized for not being available to assist as she was traveling. She told me that she would come in to the office on Sunday to reimburse me from the SDO account (Mary Murdock is a signing authority on the account). I told her that was not necessary and that we could wait until Monday.

On Monday, I provided Mary Murdock with all documents related to this transaction (the credit card authorization forms, the ATM withdrawal slip, and the deposit slip that I received from the Teacher's Credit Union). It was my understanding that once the former ICJI executive director returned from her trip to New York City, that she would reimburse the SDO account for monies related to her travel.

On or about February 17<sup>th</sup> thru the 20<sup>th</sup>, I covered costs associated with former ICJI executive director Heather Bolejack's travel to New York City. I paid for hotel charges totaling \$921.37, in addition to providing Ms. Bolejack \$300 for additional travel expenses. I paid a total of \$1,221.37 for travel expenses for Ms. Bolejack with the understanding that she would reimburse the ICJI SDO account for monies related to her travel.

At the conclusion of the State Board of Accounts review of the ICJI SDO account, it was found that these monies were not repaid by Ms. Bolejack. Subsequently, the State Board of Accounts requested that I repay the SDO account. I have now paid for Ms. Bolejack's trip twice. A trip that I did not go on. A trip in which Ms. Bolejack was to reimburse the ICJI SDO account for her travel related expenses.

INDIANA CRIMINAL JUSTICE INSTITUTE  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Heather Bolejack, former Executive Director:			
Inappropriate Use of Public Funds for Sponsorships, pages 7-8	\$ 5,000.00	\$ -	\$ 5,000.00
Inappropriate Use of Public Funds for Food Purchases, pages 8-9	1,497.80	124.00	1,373.80
Reimbursements for Professional Attorney Expenses, page 9	615.00	315.00	300.00
Personal Use of Public Funds for Out-of-State Conference, pages 9-11	<u>246.00</u>	<u>246.00</u>	<u>-</u>
Subtotal	<u>7,358.80</u>	<u>685.00</u>	<u>6,673.80</u>
Susanne Katalina Gullans, former Deputy Director of Programs:			
Personal Use of Public Funds for Out-of-State Conference, pages 9-11	1,210.38	1,210.38	-
Outstanding Travel Advance for Lodging, page 11	<u>175.19</u>	<u>175.19</u>	<u>-</u>
Subtotal	<u>1,385.57</u>	<u>1,385.57</u>	<u>-</u>
Jason Hutchens, Chief Deputy Director:			
Reimbursements for Professional Attorney Expenses, page 9	<u>302.50</u>	<u>302.50</u>	<u>-</u>
Totals	<u>\$ 9,046.87</u>	<u>\$ 2,373.07</u>	<u>\$ 6,673.80</u>

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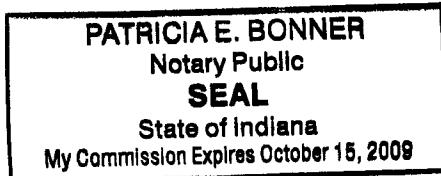
AFFIDAVIT

STATE OF INDIANA )

I, Patti Serbus, Field Examiner, being duly sworn on my oath, state that the foregoing report based on the official records of the Indiana Criminal Justice Institute, for the period from June 1, 2004 to May 31, 2006, is true and correct to the best of my knowledge and belief.

Patti Serbus  
Field Examiner

Subscribed and sworn to before me this 21 day of November, 2006.



Patricia E. Bonner  
Notary Public

My Commission Expires: 10-15-09

County of Residence: Marion  
# 54033097N00